Higher Education Structures - What Matters?

Presentation to

State Agency Restructuring Study Committee

Education (K-16), Cultural, Regulatory, & Transportation Subcommittee

Wednesday October 20, 2010

Subcommittee Members

Senator Darrell Jackson

Senator Phillip W. Shoopman

Representative Kenneth A. "Kenny" Bingham

Representative James H. Merrill

by

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SC Commission on Higher Education

Overview

- **Facts About Higher Education Funding**
- **System Organization and Governance**
  - **Variety of State Models**
  - **Why States Have Governing Boards**
  - **SC vs Governing Board States on Programs and Duplication**
  - **Planning**
  - **What does it Mean in the Real World?**
- **Tuition**
- **Out-of-State Students**
- **Concluding Thoughts . . .**

Higher Education Funding

How Does SC Compare to Other States ?

Share of the State Budget

- **National Association of State Budget Officers (NASBO) Expenditure Data has been used to suggest SC is in top 5 states as a percentage of budget spent on higher education.**
  - **PROBLEM –**

Using NASBO data is like comparing your income to your neighbor's, only you report gross pay, and he reports gross pay minus taxes, insurance, mortgage, and utilities.

  - **NASBO observes that its <u>data can be misleading for state-to-state comparisons due to variances in how states classify expenditures</u>**
  - **Example – SC adds in nearly everything (including non-state items as federal research and tuition and fees) while others list only direct state support**

NASBO - Higher Education Exclusions Across States

- **11** exclude Employer Contributions to Pensions
- **11** exclude Employer Contributions to Health Benefits
- **12** exclude Tuition and Fees
- **19** exclude Student Loan Programs
- **30** exclude University Research Grants
- **18** exclude Vocational Education;
- **22** exclude Assistance to Private Colleges

SC DID NOT HAVE EXCLUSIONS

Issue same with other 6 functional categories – making valid state-to-state comparisons impossible !

Table 15

ITEMS EXCLUDED FROM HIGHER EDUCATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Tuition and Fees	Student Loan Programs	University Research Grants	Vocational Education	Assistance To Private Colleges & Universities
NEW ENGLAND							
Connecticut						X	
Maine	P	P	X	P			X
Massachusetts	X						
New Hampshire	P	P	?	P	X		X
Rhode Island				P		?	X
Vermont	X	X	X	X	X	X	
MID-ATLANTIC							
Delaware			X		X	X	X
Maryland					P		
New Jersey					V	Y	
New York	P	P			P	?	P
Pennsylvania	X	X		P	X	?	
GREAT LAKES							
Illinois		P	?	P	P	?	P
Indiana	P	P	X		X		X
Michigan	X	X	X	X	P		
Ohio				X		?	X
Wisconsin					P		
PLAINS							
Iowa							
Kansas							
Minnesota	X	X			X	X	X
Missouri	X	X	X		X	X	
Nebraska					X		
North Dakota						Y	W
South Dakota							X
SOUTHEAST							
Alabama*							
Arkansas					P		
Florida*					P		
Georgia			X	X	X		X
Kentucky						?	
Louisiana					X		
Mississippi					X		X
North Carolina					W		
South Carolina							
Tennessee					X		
Virginia				X			
West Virginia				X	P	?	
SOUTHWEST							
Arizona							X
New Mexico	P	P	?	P		?	X
Oklahoma				X		?	
Texas			?		P	?	
ROCKY MOUNTAIN							
Colorado				X	X		
Idaho				X	X		X
Montana				X	X		
Utah					X		X
Wyoming							X
FAR WEST							
Alaska							X
California			X				
Hawaii				X	X	X	X
Nevada				X	X		X
Oregon							
Washington				X	X		X
ALL STATES	11	11	6	19	30	18	22

Excluded=X Partially Excluded=P Not Applicable=N/A

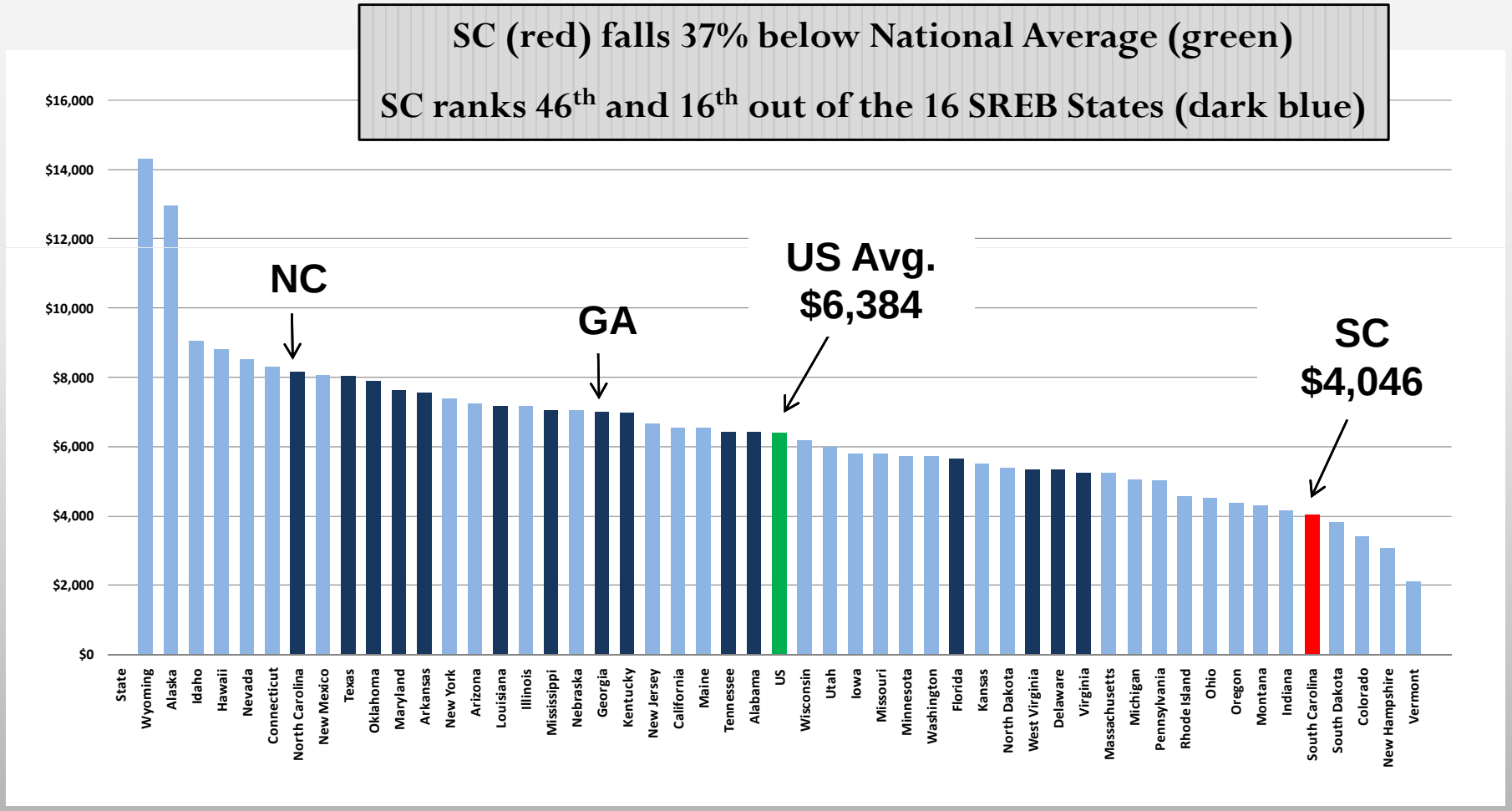
Source: National Association of State Budget Officers, 2000 State Expenditure Report's "Data Higher Education Appendix" explanation

State Higher Education Funding: An Apples-to-Apples Comparison

- **SHEEO State Higher Education Finance Survey Annual Survey for State-to-State Comparable Financial Data**

- **Educational Appropriations** – measure state and local support for public higher education inclusive of state student financial aid and ARRA Stabilization funds

Educational Appropriations per FTE FY 2009
(without state-supported scholarships/grants)



Source: SHEEO State Higher Education Finance Survey, FY2009, corrected post-release.

Educational Appropriations per FTE FY 2009

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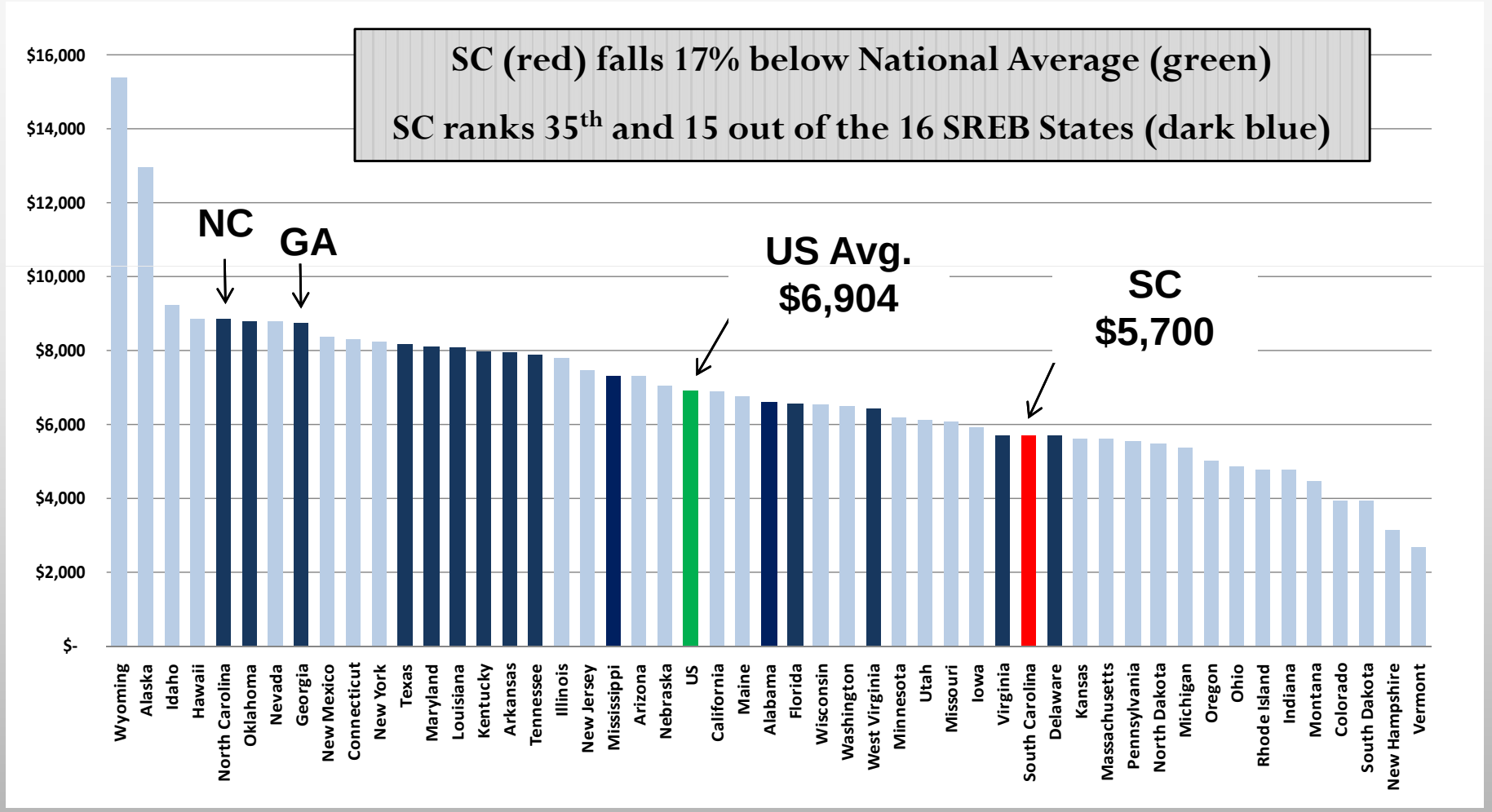
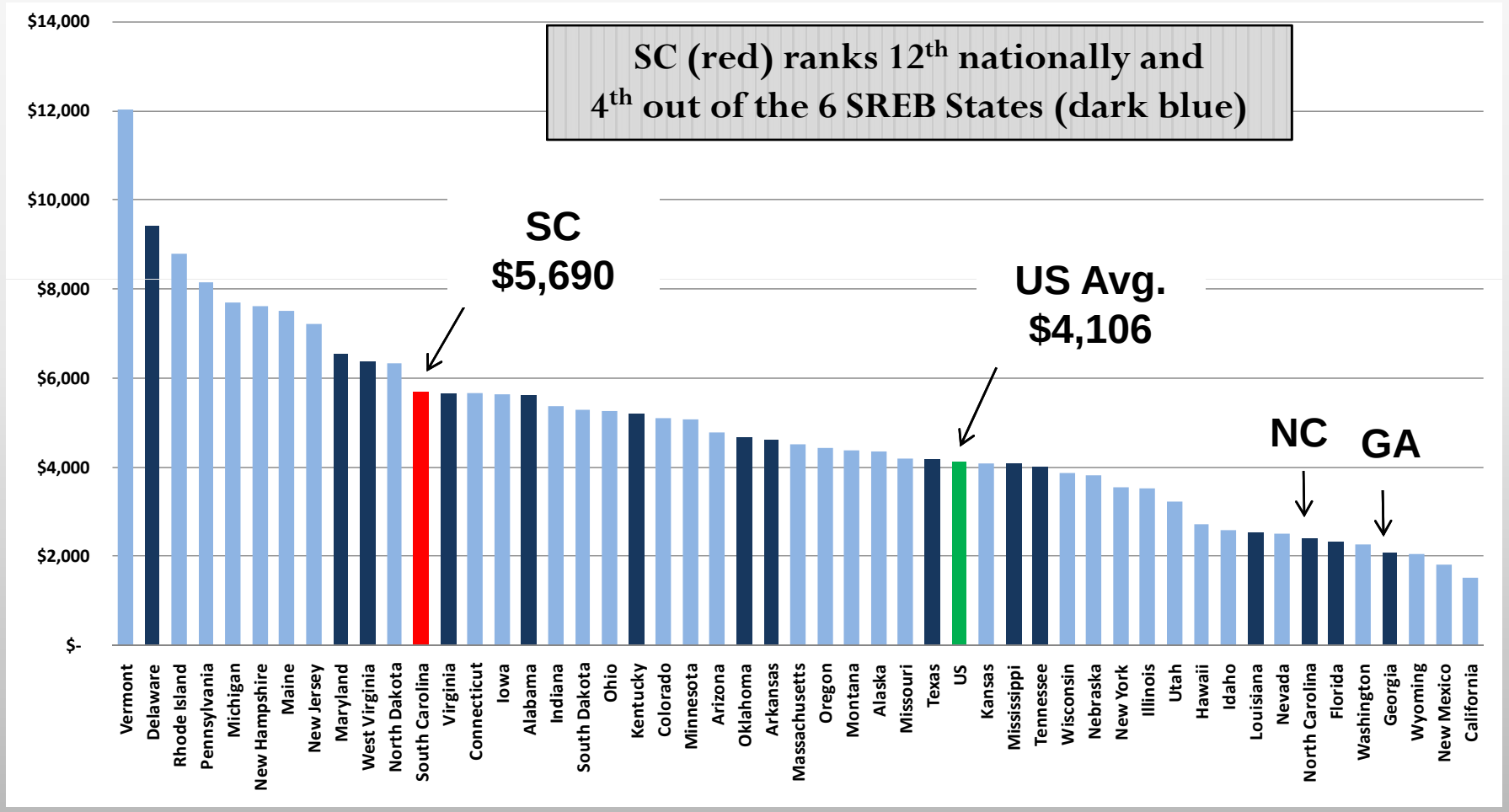


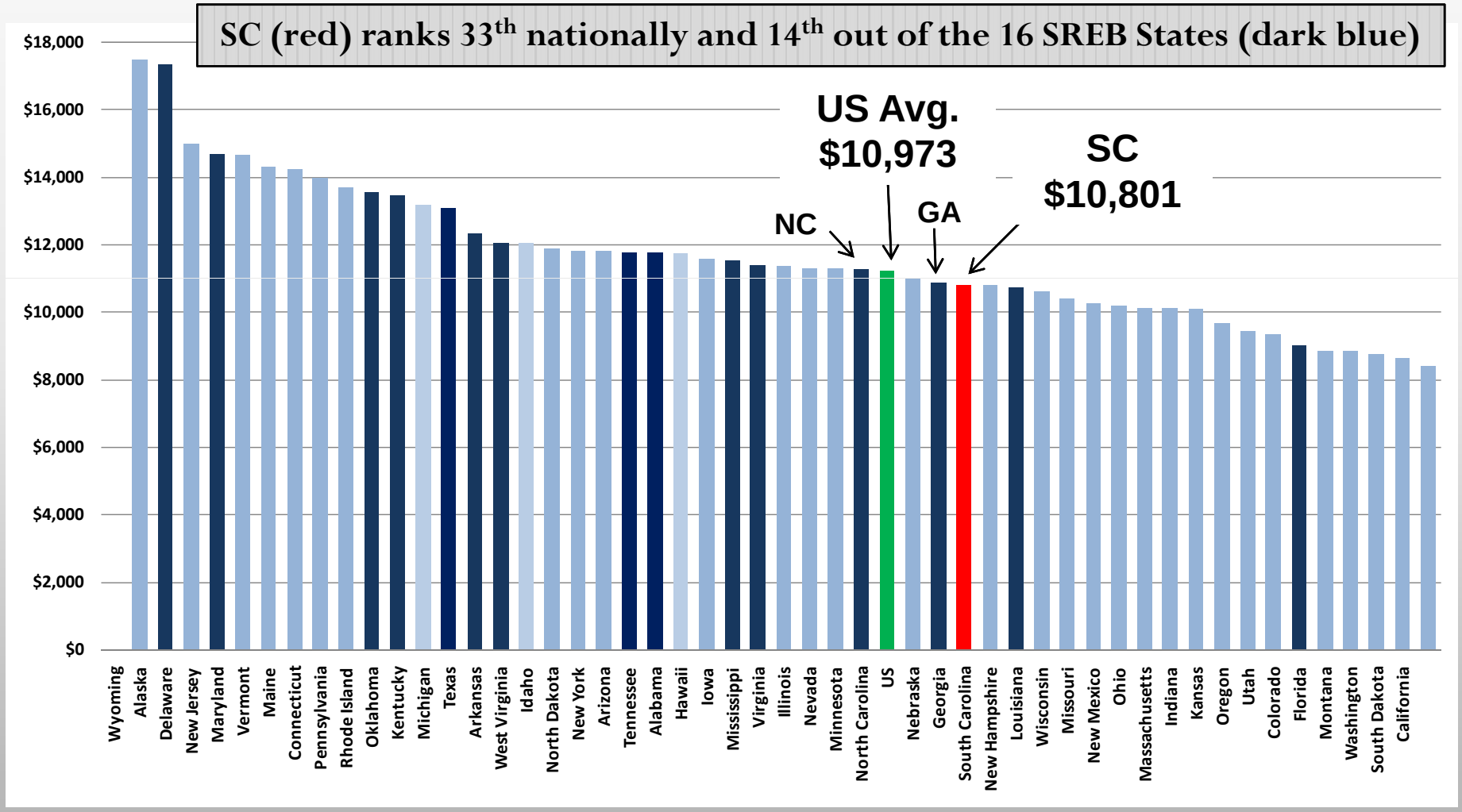
Source: SHEEO State Higher Education Finance Survey, FY2009, corrected post-release.

Net Tuition Revenue per FTE FY 2009



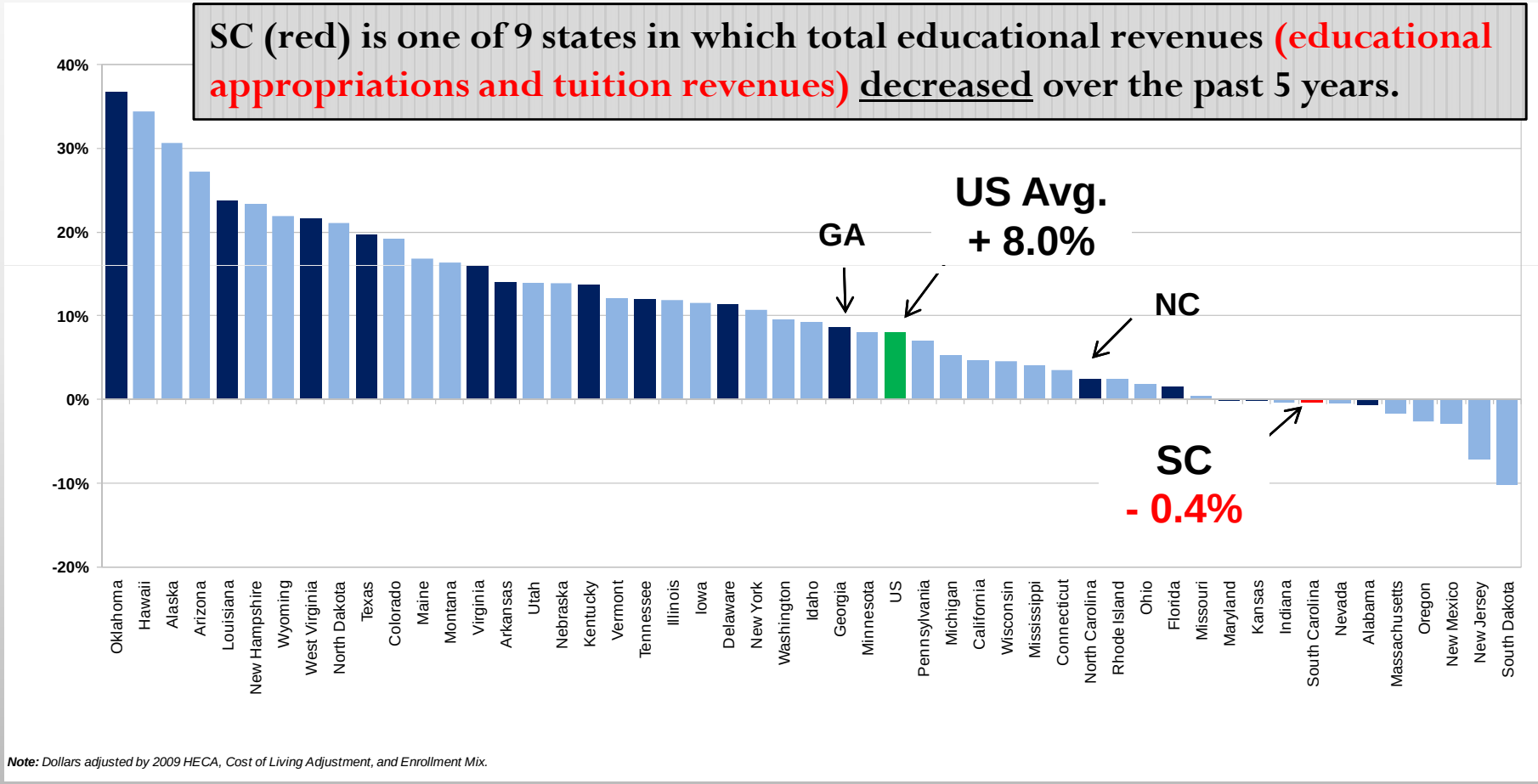
Source: SHEEO State Higher Education Finance Survey, FY2009. Net tuition revenue here is inclusive of portion of net tuition per FTE used for capital debt service.

Total Educational Revenue Per FTE FY2009



Source: SHEEO State Higher Education Finance Survey, FY2009. Total Educational Revenue per FTE represents the sum of educational appropriations and net tuition excluding net tuition revenue for capital debt service. Information on capital expenditures across states is not available and varies state-to-state. The portion of tuition and fee revenue for debt service is removed for a better comparison of support for educational and general operating revenue.

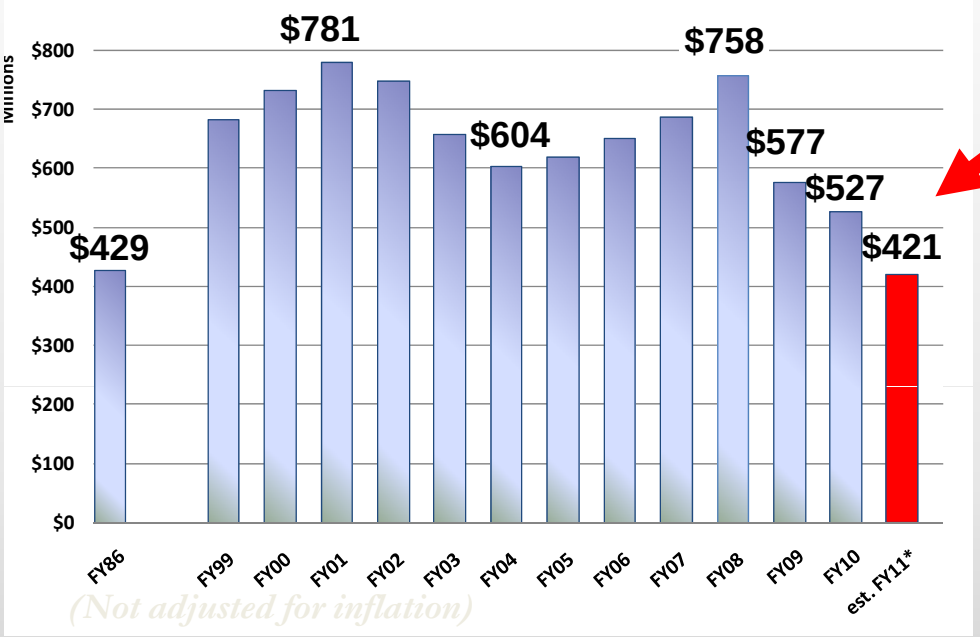
Total Educational Revenue Per FTE
5 Year Percent Change – FY2004 to FY2009



Note: *Dollars adjusted by 2009 HECA, Cost of Living Adjustment, and Enrollment Mix.*

Source: SHEEO State Higher Education Finance Survey, FY2009. Total Educational Revenue per FTE represents the sum of educational appropriations and net tuition excluding net tuition revenue for capital debt service. Information on capital expenditures across states is not available and varies state-to-state. The portion of tuition and fee revenue for debt service is removed for a better comparison of support for educational and general operating revenue.

SC Public Colleges & Universities
State General Fund Appropriations



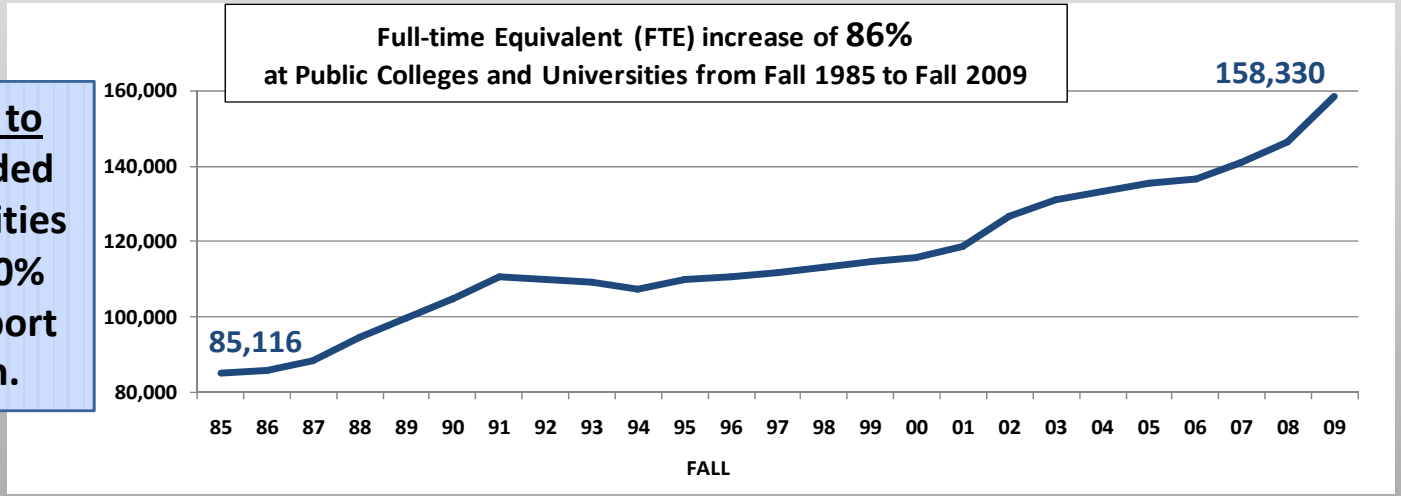
*FY11 = $421 million

*FY08 = $758 million

*Drop = ($337million)

*Preliminary estimate based on FY 11 Appropriations Act including sustained vetoes.

Enrollment Continues to Climb: Since 1985, added equivalent of 4 universities the size of USC with 50% reduction in state support adjusted for inflation.



Capital Funding -
Critical need for a Bond Bill in SC

- Higher education has received almost nothing for capital since 2000.
- Capital is a normal operating cost – not an exceptional or unusual one.

  Good comparative state data on higher education funding should include capital, and when it is, we fall much further behind others than where we are now.
- Investing as soon as possible in urgently needed capital offers the prospect of getting interest rates at an historical low while paying the bonds off in a rising economy. A good deal!

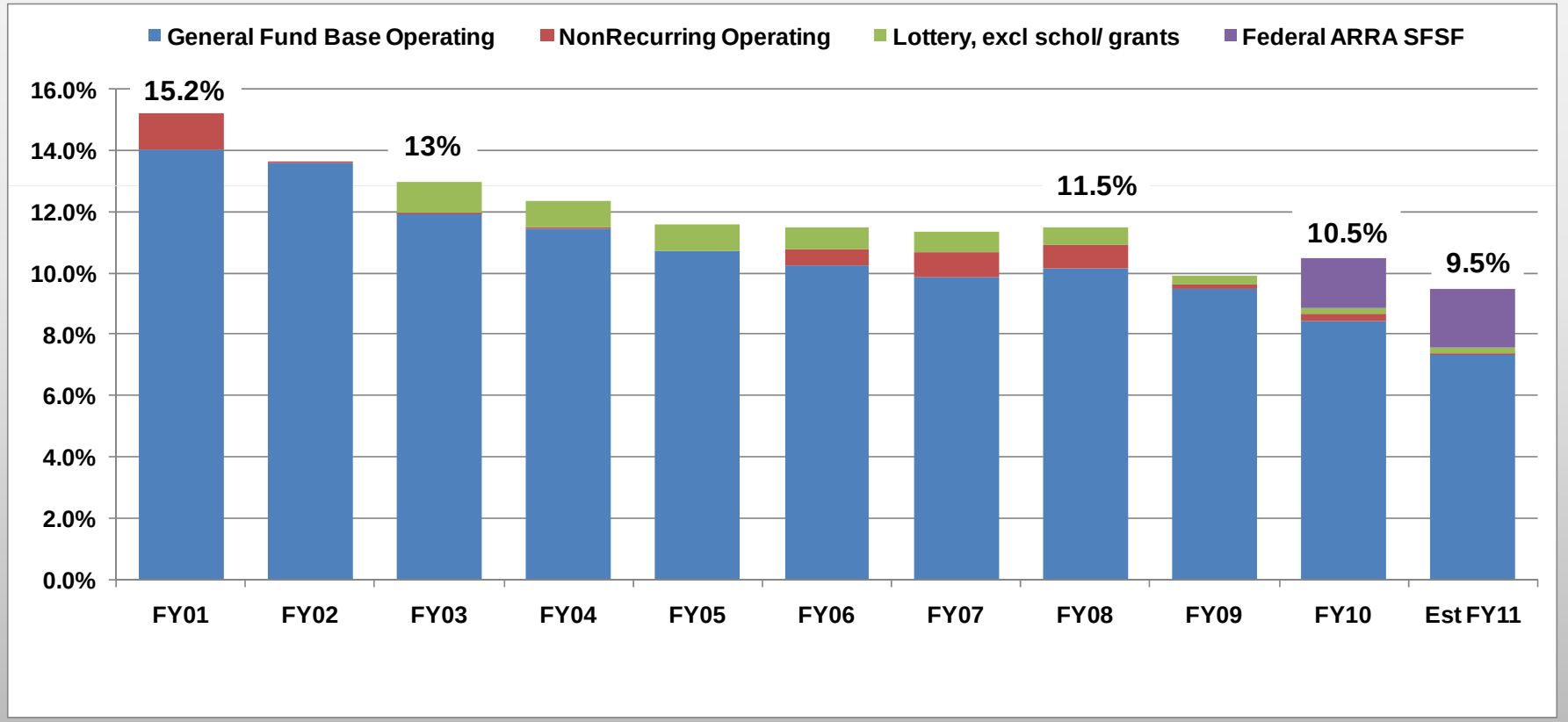
Two Comparisons :

Select State Review of State Support for Capital (Avg over 10 years)			
State	Capital Support per FTE Average over 10 Yrs 1997-2006	Difference Compared to SC	Additional Dollars Needed for SC to Keep Up *Considering Capital Alone*
NC	$2,219	+ $1,930	+ $306 million
GA	$836	+ $547	+ $86 million
KY	$728	+ $439	+ $70 million
SC	$289	$0	-

- SHEEO DATA – Net tuition revenue includes portion of Tuition and Fees collected for debt service.
  - **SC's net tuition includes $589 per FTE for debt service or 10.3% of the net tuition revenue per FTE.**
  - **SC ranks 4th nationally and 3rd among the 16 SREB states on the percentage of the portion of net tuition revenue per FTE for debt service. The US average is 38th.**

- Instructional vs Administrative
  - Problem with IPEDS
    - Growth in Research, Training, fund-raising, health care
    - Volume – enrollments sharply up
    - Shift in what is meant by instruction/ administrative
  - Facts about what campuses have done (e.g., consistently cut administrative before instruction)
- A few comments on leadership

Change in State Educational & General Operating Support for SC's 33 Public Colleges & Universities as a Percent of State Budget, FY01 to FY11



**FY11 estimated based on FY11 Appropriations including sustained vetoes. Lottery Expenditures began in FY 2002-03 and include operating appropriations and CoEE. Nonrecurring appropriations are not available for FYs prior to 1994-95 and include supplemental and Capital Reserve Fund for operating purposes.*

System Organization and Governance

A Variety of Models

SC vs Governing Board States

What Does It Mean in the Real World?

Variety of State Models

- **Governance**
  - Governing
  - Coordinating
- **Comprehensive (all levels)**
- **Examples of state models**
  - California, North Carolina, Georgia, New York, Texas, Illinois, Ohio – Florida (moved to coordinating)

Why States Have Governing Boards

- Main issue is avoiding unnecessary duplication in expensive programs
  - Planning for comparative missions
- Others – consolidated systems, statewide purchasing, etc.

SC vs Governing Board States on Expensive Programs

- No accepted measure of "unnecessary duplication" of expensive graduate/professional programs
- Most would agree that governing board states have done well here
  - Florida expanding rapidly; consistent with urban areas/population growth
  - Oregon has a problem; research universities are distant from the only major urban center
- Some coordinating board states have been less successful, usually to accommodate urban areas
  - Ohio and Missouri are examples
- Some coordinating board states have done very well
  - Illinois (only one major urban area)
  - South Carolina
  - Kentucky

SC Existing Statutory Provision on Mission

Perhaps in law as effective as a governing board

- Act 359 of 1996 established the Mission & Goals for Higher Education in South Carolina (§59-103-15) and charged CHE with approving institutional missions within the framework (§59-103-45(6))
  - Stipulated that in achieving the mission of higher education, one goal to be achieved is " clearly defined missions"
  - Identified primary mission of four sectors of higher education, including provisions regarding degree levels (e.g., 4-year institutions could not have doctoral programs beyond those currently in place at passage) . Sectors include: Research Institutions, Four-Year Colleges and Universities, Two-Year Institutions – Branches of USC, State Technical and Comprehensive Education System
- §59-103-45(6) directed CHE to ***"review and approve each institutional mission statement to ensure that it is within the overall mission of that particular type of institution as stipulated by §59-103-15 and is within the overall mission of the State."***

More on Unnecessary Duplication

- Real issue is need (cost-benefit)
  - Acute local connection to need at lower levels, especially at technical level
  - Many dimensions of need at more expensive upper levels, graduate and professional
    - Some doctoral programs produce graduates for local as well as national market: e.g. psychology
    - In many doctoral areas, SC can meet needs from national market and small local participation
    - A key issue for the future: many fine scholars/researchers at comprehensives—how to draw them into state effort? Technology should allow new kinds of collaboration with high quality and low cost.

- Real issue in having more locations (campuses, branches, centers) is cost/credit hour and access
  - Cost credit/hour for mathematics and English likely no different at Technical College branch location than at main campus and varies little from one comprehensive to another
  - Access: need to consider lost students because many can't afford to drive long distances (work, child care, etc)
    - Example of chain opening new store – don't count just the cost, as we do with higher education, count the profits as well

A Planning Example

- Many strategies employed nationally in planning
- NC's Focused Growth
  - Grow where can get best economies of scale, e.g., best cost/ credit hour or cost/degree
  - For a university, scale means ~6,000 students (NC and Ohio independently arrived at this number)

SC - No Implementation Authority for this kind of action

What Does It Mean in the Real World?

- **No real differences in program duplication, depending on the state**
  - IL, TX, and SC are coordinating boards that have managed the duplication issue very well
  - FL, NY, MD are governing boards that have not
- **Governing Boards duplicate staff**
- **Governing Boards don't always systematize expenditures**
  - NC, GA don't have consistent ERP
  - UC and library systems
  - Cal State and satellite

Bottom Line

Need to get efficiency without Soviet bureaucracy

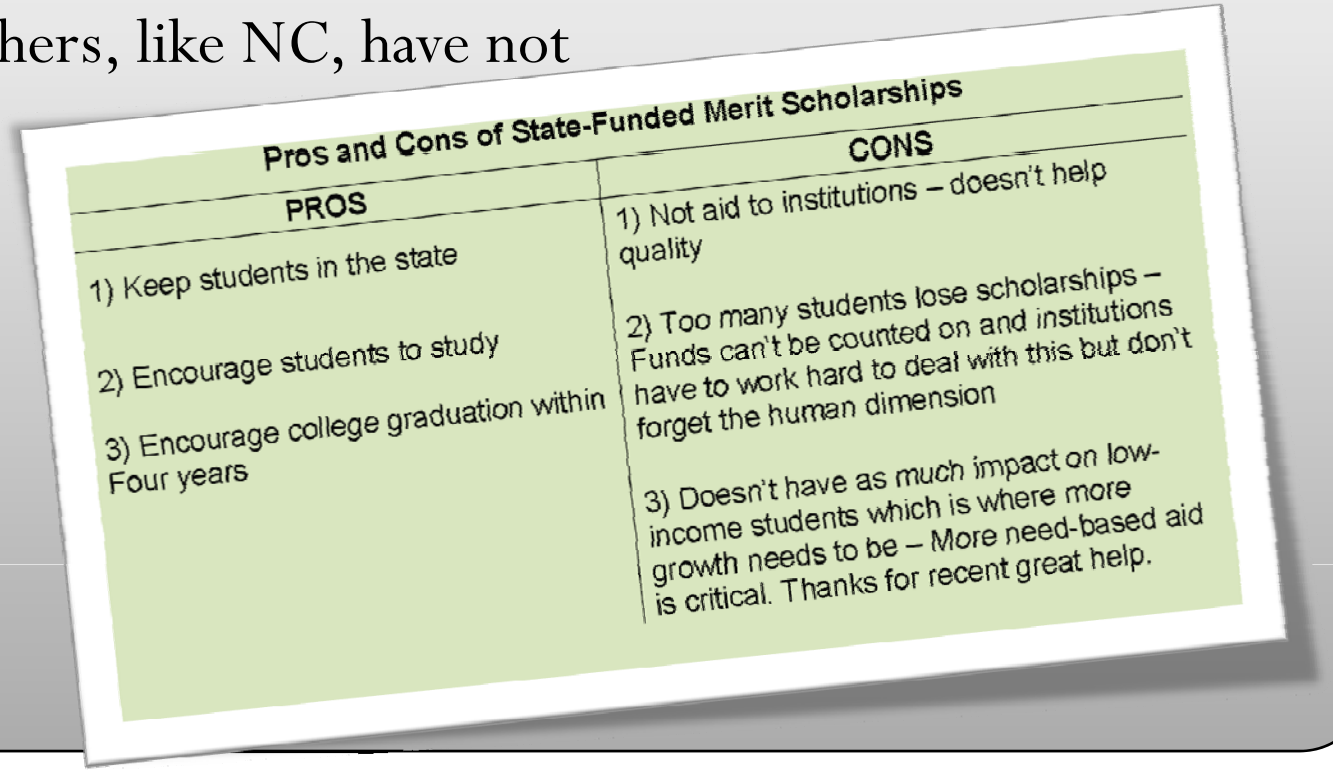
- SC most of the way there (programs), probably needs to go further in planning
- System behavior vs. system organization

Tuition

- **Cost Driver #1 in Higher Education: Free Enterprise System**
  - Faculty amazingly flexible; accept somewhat less pay because they like the work, but not endless
- **Cost Driver #2 for Public Higher Education: Decline in State Support**
- **Cost Driver #3: Teaching Loads**
  - SC does not have low loads; we are on the high end nationally

Tuition in Governing Boards

- Generally governing board states have been more successful in managing the trade-off between state support and tuition
- Comparisons in coordinating board states difficult given differences
- Some governing board states, like GA, have focused heavily on scholarships; others, like NC, have not



Pros and Cons of State-Funded Merit Scholarships

PROS	CONS
1) Keep students in the state	1) Not aid to institutions – doesn't help quality
2) Encourage students to study	2) Too many students lose scholarships – Funds can't be counted on and institutions have to work hard to deal with this but don't forget the human dimension
3) Encourage college graduation within Four years	3) Doesn't have as much impact on low-income students which is where more growth needs to be – More need-based aid is critical. Thanks for recent great help.

Summary on Tuition

1) Cost drivers not going to change until the market for educated people changes

- Not reasonable to use CPI – Example: Microsoft vs McDonalds
- HEPI also an average
  - Market conditions and quality
    - Example: MUSC's market probably not linked to HEPI in any meaningful way
    - Biomedical researcher either at the leading edge or a drag on competitiveness
      - Someone you can get for a reasonable salary but who can't compete for grants is a net loss
  - Also other fields

2) Cost savings as an offset

- Colleges and universities doing much already
  - Upstate, Citadel and National Guard
  - Coastal and Horry-Georgetown
  - Clemson and Tri-County -- Bridge program also many others
  - Tech System and ERP Consortia
  - Charleston institutions and purchasing
  - Joint College of Pharmacy -- Truly cutting edge
- Other actions in process
  - Shared online program for adults – DegreeSC
  - ERP discussions

- Actions to pursue
  - Regulatory reform bill
  - Statewide computing resource
  - More shared online courses
- Course Redesign
  - Problem of finding startup monies at financially challenged institutions
- Limits on technology
- Maybe declare some fact-based areas as pre-college and use technology to teach; change degree to 3 years
  - A long-term strategy

- More work on retention – shift from cost/credit hour to cost/degree or certificate
  - But college not the best place to drive change in attitudes/ beliefs
  - Also expensive
- Transfer
  - Continuation of SCTRAC *(SC's electronic transfer and articulation center)* and expansion of articulation of courses
- Course Alignment
  - Continuation of SC Course Alignment Project to align high school exit with college entrance
- Statewide fiber optic network for all institutions
- Support and expand PASCAL statewide virtual library and similar efforts

3) Overall Reality on Cost Savings

- Will help, but won't fully offset inflation

4) Ultimate policy on tuition?

Some ideas discussed nationally

- Recognize institutional differences
  - Market effects here as well
- Consider giving some greater flexibility with lower state support
- Others less flexibility with more support

5) Crucial importance of a bond bill soon

- Facilities normal part of doing business, not exotic
- SC one of highest in nation in share of tuition going to facilities

Out-of-State Students

Out-of-State Students

- CHE data show conclusively that the tuition paid by out of state students more than covers the costs of their education
- The fact is that the presence of out-of-state students substantially lowers tuition for South Carolina residents
  - CHE's data are statewide: individual institutions can provide detailed information.
- Out-of-state students also contribute significantly more than their in-state peers to their higher education facilities

Statewide Cost Data – A Macro-Level Estimate

Do Out-of-State Students Cover 100% of the Cost? YES!

Considering Public Research and 4-Year Institutions:

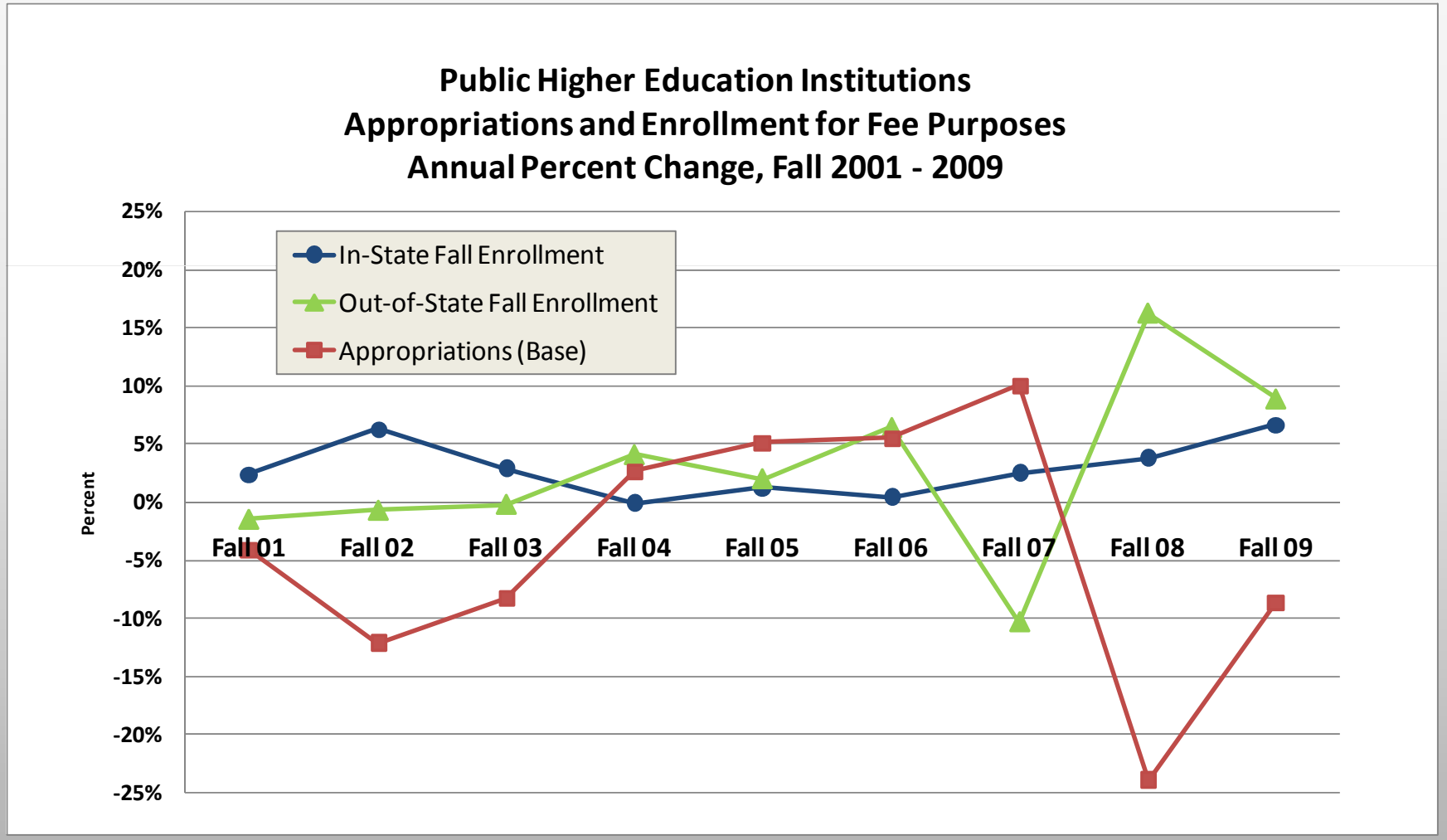
	In-State	Out-of-State
Estimated Tuition & Fees Revenue	$632.8M	$325.7M
State Appropriations for Operations	478.6M	0
Total Operational Support	$1,111.4M	$325.7M
# Full-time Equivalent (FTE) Students	73,897	16,584
Average support per Student	$15,039	$19,642

Difference (Out-of-State minus In-State Support)		
Additional Support per Out-of-State Student	***=***	***$4,602***
Total Additional Support from Out-of-State		
(Difference x Out-of-State FTE)	***~***	***> $70 M***

M = millions

**Estimate at the state level. Institutions can provide institutional-specific breakdown.*

Growth vs Change in State Support



Two Distinct Issues

- Revenue Alternative
  - National issue = "University of CA at Eugene"
- Quality Enhancement
  - Raise quality of institution
    - Benefit to in-state students
    - Problem for in-state students
  - Also national issue
  - Institutional strategies are different – Not covered here; Institutions can explain best

Concluding Thoughts . . .

1) Avoid push for more central control

- **Solves a problem that's largely already solved**
  - Punishing institutions that are working hard on problems doesn't make sense
- **Creates more bureaucracy**
  - Note on data gathering: CHE will effectively be forced to make this a hiring priority by federal mandate
    - Business doesn't measure and report everything – only what matters

2) Consider some new strategies in mission planning, build consensus around some key issues

- **Growth strategy that recognizes and supports differentiated missions**
- **Tuition policy that recognizes institutional differences and markets and provides financial incentives for lower tuition institutions**
- **Out-of-state student issue considered in light of both contexts**
  - Cost/ Benefit
  - Value of National Universities

3) Key Issue is Changing People's Attitudes and Creating More Individual Responsibility

- **A couple of quotes from business:**
  - **"High School is no longer the finish line!"**
  - **"High School Graduates are a commodity in the labor market"**
- **Can't improve schools without changing citizen's attitudes**
- **Citizens have to understand the world has changed and that Education is both essential and achievable**
  - CHE working on this with many partners

When We're Unified and Have the Right Plans

We Can Transform

South Carolina's Economy and Quality of Life

Reference Slides

Additional Information on SC Higher Education

Higher Education Organization in SC

Public Higher Education
SC Commission on Higher Education

14 member Commission responsible for coordinating public higher education with dual roles of advocacy & accountability

33 Public Colleges & Universities

- 3 Research Institutions
- 10 Four-Year Teaching Universities
- 4 Two-Year USC Regional Campuses
- State Board for Technical & Comprehensive Education
  - 16 Technical Colleges

Independent Colleges & Universities in South Carolina

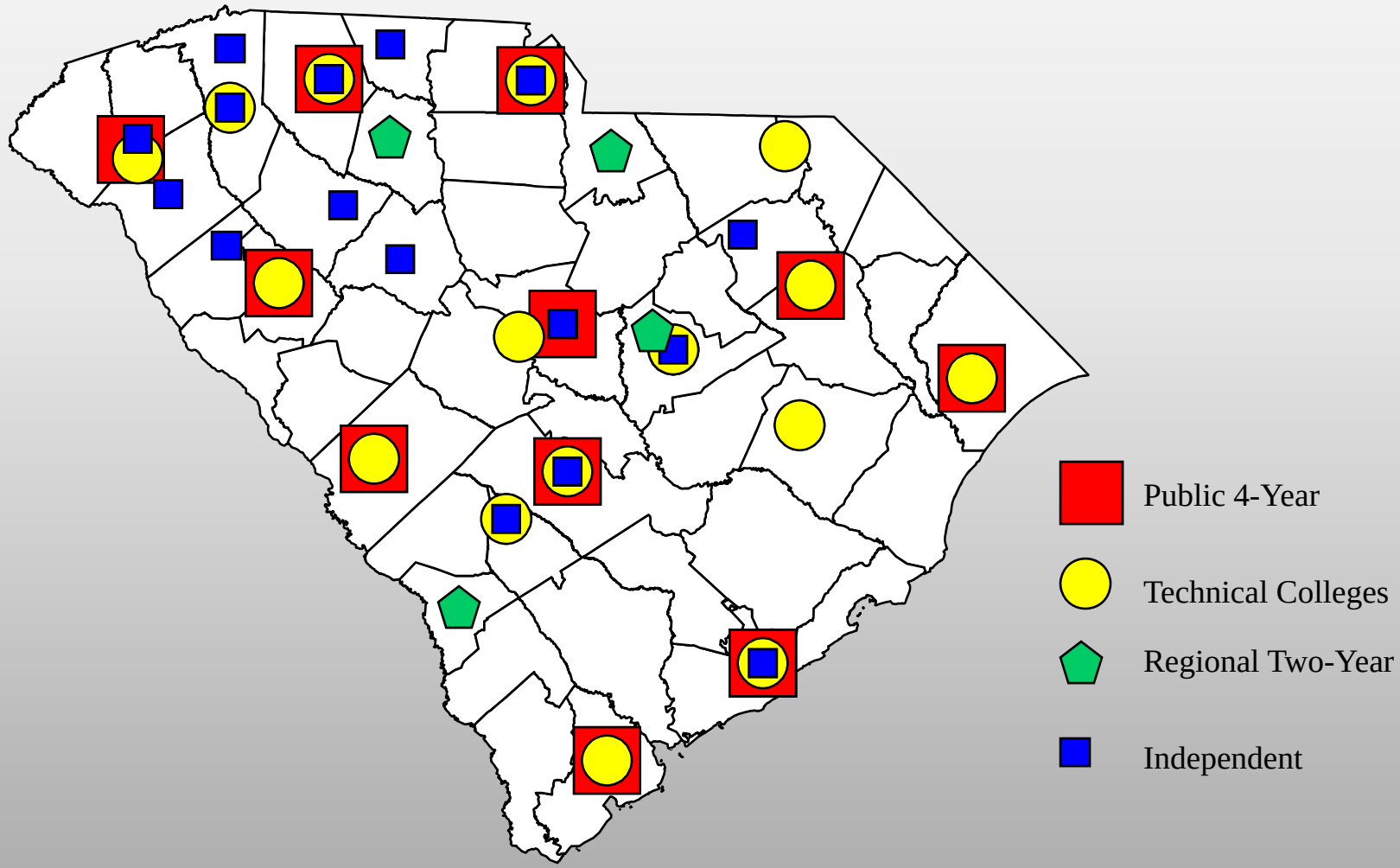
27 headquartered in SC including:

- 23 Senior Institutions
- 2 Two-Year Institutions
- 2 Professional Schools (Law and Chiropractic)

24 other degree-granting institutions licensed by CHE to operate in SC

Links to each are accessible at www.che.sc.gov

General Locations of Public and Independent SC Institutions

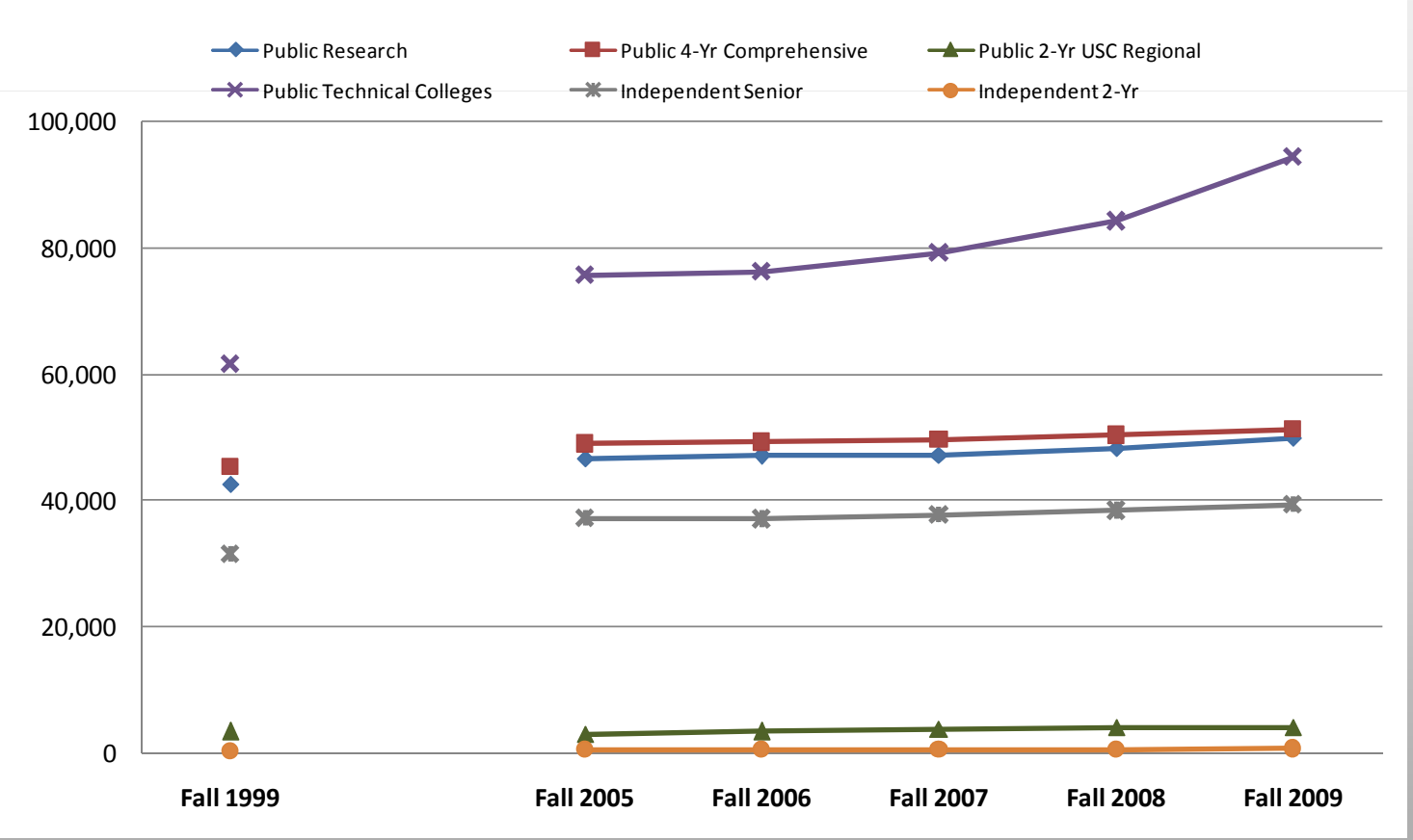


Headcount Enrollment by Type Institution
Fall 1999 and Fall 2005 – Fall 2009

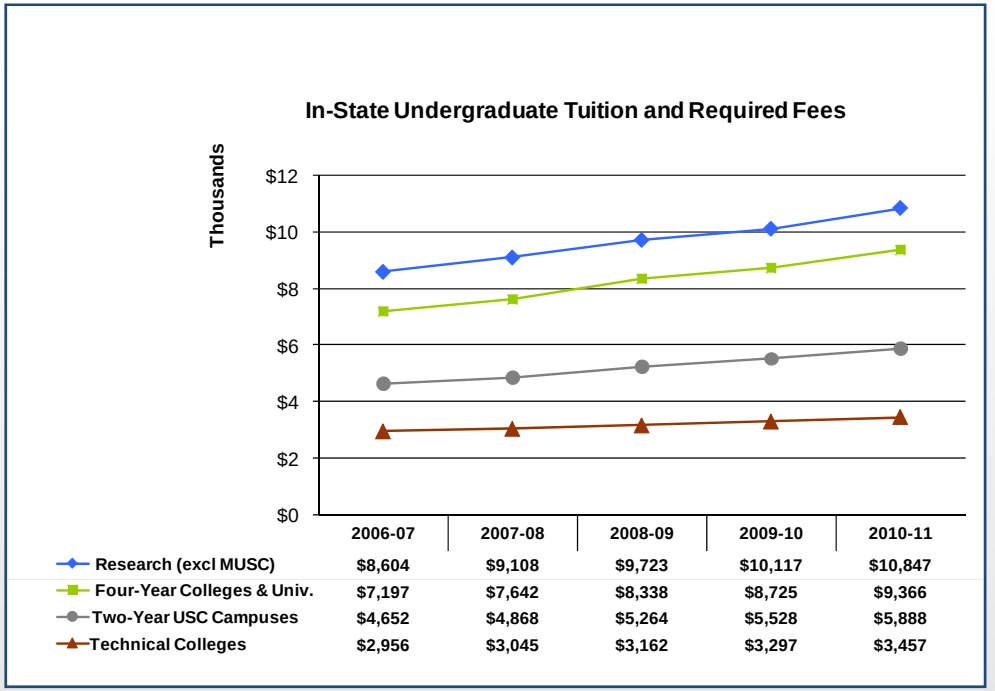
240,421 Total Fall 2009 Headcount (29.6% increase over 10 yrs)

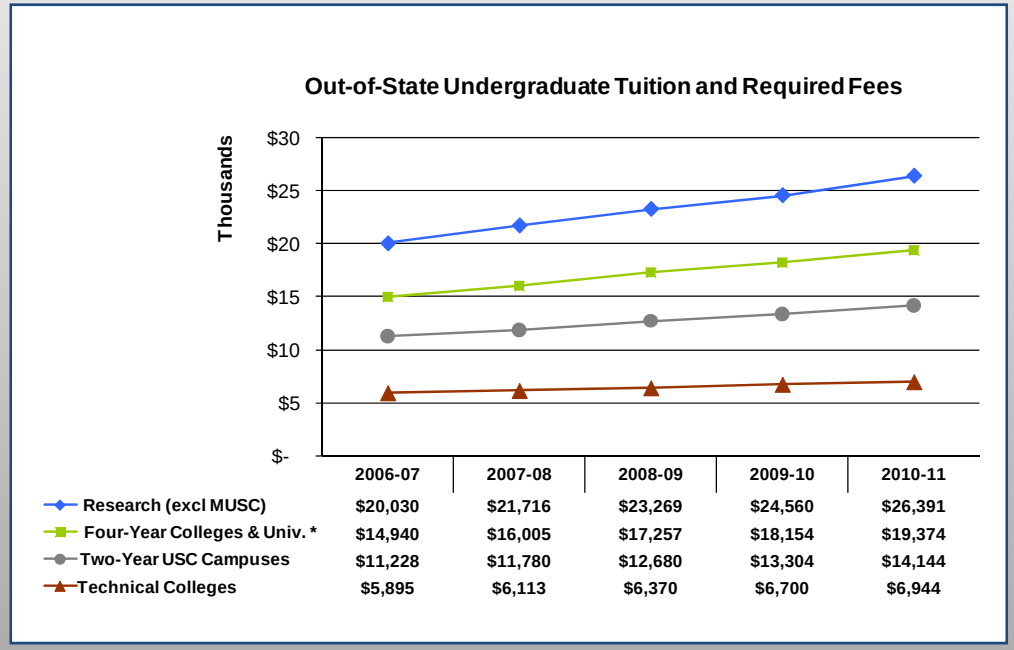
200, 204 or 83% in Public (30.4% increase over 10 yrs)

40,217 or 17% in Independent (2.5% increase over 10 yrs)



TUITION AND REQUIRED FEES: For the most recent year (FY 2010-11) compared to last year (FY 2009-10), the increase in average in-state tuition and required fees was 7.3% for four-year public institutions and 5.3% for two-year public institutions. For out-of state students, the increase for four-year public institutions was 6.9% and 4.5% for two-year public institutions.





Mission of Public Higher Education
Act 359 of 1996 (Enacted July 1996)

- **Established the Mission & Goals for Higher Education in South Carolina**
- **Identified four sectors of public higher education –**
  - **Research Institutions**
  - **Four-Year Colleges and Universities**
  - **Two-Year Institutions – Branches of USC**
  - **State Technical and Comprehensive Education System**
- **Directed CHE to *"review and approve each institutional mission statement to ensure that it is within the overall mission of that particular type of institution as stipulated by §59-103-15 and is within the overall mission of the State."***

Mission for Higher Education, §59-103-15(A)

. . . to be a global leader in providing a coordinated, comprehensive system of excellence in education by providing instruction, research, and life-long learning opportunities which are focused on economic development and benefit the State of South Carolina.

Goals to be achieved through this mission

- ✓ high academic quality
- ✓ affordable and accessible education
- ✓ instructional excellence
- ✓ coordination and cooperation with public education
- ✓ cooperation among General Assembly, CHE, Council of Presidents of State Institutions, institutions of higher learning, and the business community
- ✓ economic growth
- ✓ clearly defined missions

Primary Mission By Sector, §59-103-15(B)

"The General Assembly has determined that the primary mission or focus for each type of institution of higher learning or other post-secondary school in this State is as follows . . ."

Research Institutions

- college-level baccalaureate education, master's, professional, and doctor of philosophy degrees which lead to continued education or employment
- research through the use of government, corporate, nonprofit-organization grants, or state resources or both
- public service to the State and local community

Clemson University • University of SC • Medical University of SC

Four-Year Colleges and Universities

- college-level baccalaureate education and selected master's degrees which lead to employment or continued education, or both, except for doctoral degrees currently being offered
- limited and specialized research
- public service to the State and local community

The Citadel	Coastal Carolina University
College of Charleston	Francis Marion University
Lander University	SC State University
USC Aiken	USC Beaufort *
USC Upstate	Winthrop University

*CHE approved on June 6, 2002, a mission change for USC Beaufort to enable the campus to become a 4-yr branch of USC.

Two-Year Institutions – Branches of USC

- college-level pre-baccalaureate education necessary to confer associates' degrees which lead to continued education at a four-year or research institution

- public service to the State and local community

USC Lancaster	USC Salkehatchie
USC Sumter	USC Union

State Technical & Comprehensive Education System

- all post-secondary vocational, technical, and occupational diploma and associate degree programs leading directly to employment or maintenance of employment and associate degree programs which enable students to gain access to other post-secondary education
- up-to-date and appropriate occupational training for adults
- special school programs that provide training for prospective employees for prospective and existing industry in order to enhance the economic development of South Carolina
- public service to the State and local community
- continue to remain technical, vocational, or occupational colleges with a mission as stated [herein] and primarily focused on technical education and the economic development of the State.

Technical Colleges, continued

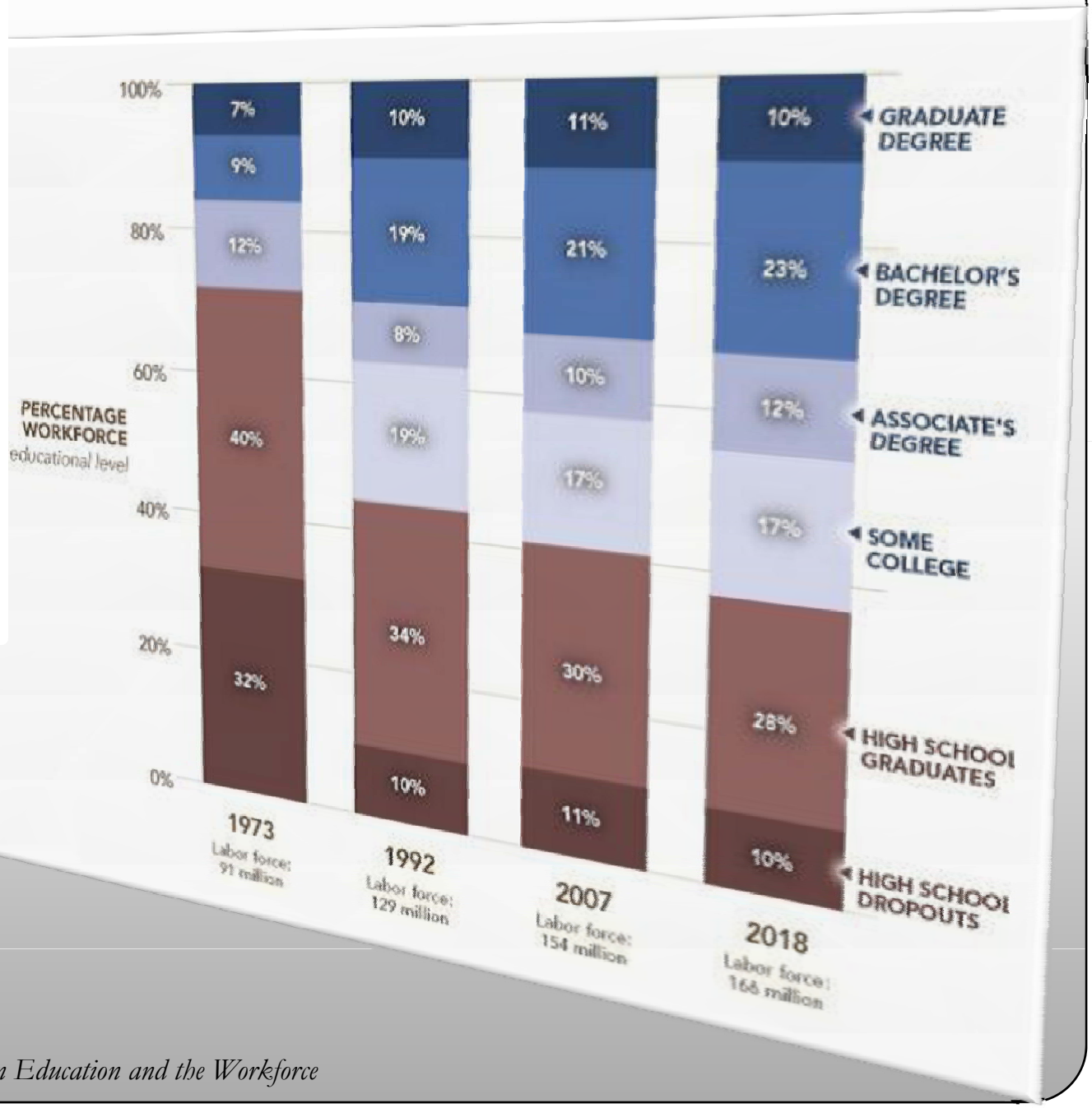
Aiken Technical College
Central Carolina Technical College
Denmark Technical College
Florence-Darlington Technical College
Greenville Technical College
Horry-Georgetown Technical College
Midlands Technical College
Northeastern Technical College
Orangeburg-Calhoun Technical College
Piedmont Technical College
Spartanburg Community College
Technical College of Lowcountry
Tri-County Technical College
Trident Technical College
Williamsburg Technical College
York Technical College

As the Knowledge Economy Develops

Demand for More Highly Educated People will be Much Greater than for High School Grads and Below

NATIONALLY

63% of all jobs will require postsecondary training beyond high school by 2018



Source: Georgetown University, Center on Education and the Workforce

HELP WANTED: PROJECTIONS OF JOBS & EDUCATION REQUIRMENTS THROUGH 2018, JUNE 2010

Anthony P. Carnevale, Nicole Smith, and Jeff Strohl
Center on Education and the Workforce, Georgetown University

http://cew.georgetown.edu/jobs2018/

State Level Analysis - Summary Points for South Carolina

Between 2008 and 2018, new jobs in SC requiring postsecondary education and training will grow by 94,000 while jobs for high school graduates and dropouts will grow by 40,000.

Between 2008 and 2018, SC will create 630,000 job vacancies both from new jobs and from job openings due to retirement.

349,000 (56%) of these job vacancies will be for those with postsecondary credentials, 206,000 (33%) for high school graduates, and 75,000 (12%) for high school graduates.

SC ranks 39th in terms of the proportion of its 2018 jobs that will require a bachelor's degree and is 12th in jobs for high school dropouts.

56% of all jobs in SC (1.2 million jobs) will require some postsecondary training beyond high school in 2018. This is 7 percentage points below the national average of 63%. SC ranks 42nd in postsecondary education intensity for 2018.

Higher Education's Action Plan Background

- Several previous planning efforts
- Legislatively appointed Higher Education Study Committee (2007-2008)
- Action Plan complete in 2009
  - Three Broad Goals plus specific recommendations
  - ROEI Study accompanied the report

For additional details and to access the Action Plan and ROEI reports, visit CHE's website

http://www.che.sc.gov/HigherEd_ActionPlan.htm

Action Plan Goal 1
Raise Educational Levels

What could we do by 2030?

More associate, baccalaureate, and professional graduates

- Specific goal: 30% baccalaureates (vs. 23%--baccalaureate is the easiest comparative measure but other degree levels are equally important)
- Focus on areas that make a difference to the state

Nursing	Management
Engineering	Teacher Education
Health technologies	More…

Action Plan Goal 2

Increase Research & Innovation

Today's economy is driven by innovation, much of which can be traced to research universities. These institutions foster a culture of talent that benefits regions and states because they attract business investment, create new businesses, and sponsor federal and industrial research that create high-value, high-paying jobs. Examples:

- Create a culture of discovery
- Optimize process for technology transfer
- Enhance research and innovation partnerships among colleges and universities and the private sector

Action Plan Goal 3

Improve Workforce Training and Education Services

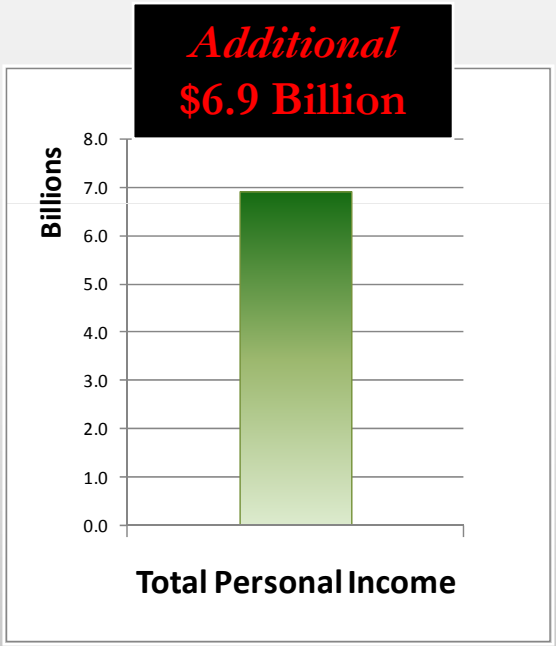
The availability of a highly skilled workforce is key to economic prosperity for any city, state, region, or nation. Higher Education is both an individual and public benefit.

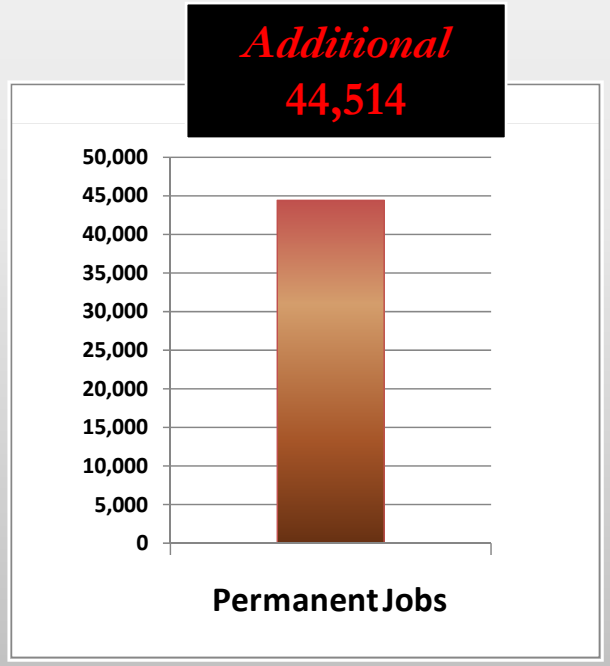
- Align programs with economic clusters
- Create reverse-bridge programs
- Communicate the importance of the action plan
- Connect adults to education and training programs
- Identify financial pathways
- Strengthen higher educational services
- Strengthen the foundations for a technical workforce

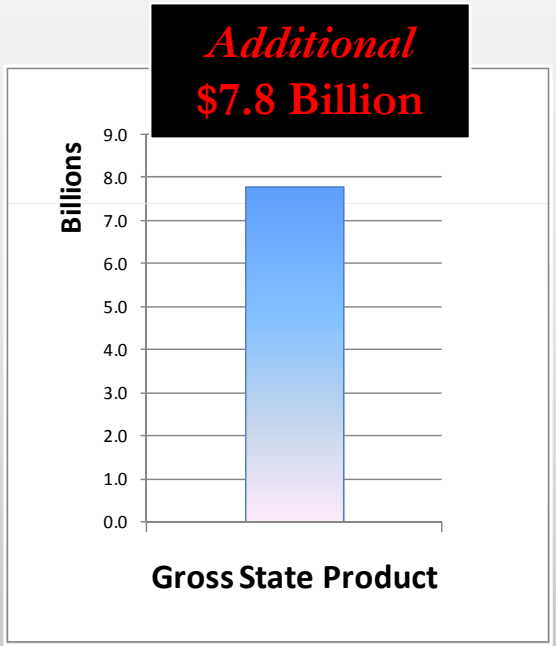
Will Investing Be Worth It?
Analyzing the Return on Educational Investment

- Study completed by USC's Darla Moore School of Business, Division of Research
  - Objective - Understand the benefits and costs in achieving the goal of becoming one of the most educated states
  - Target Analyzed – Moving SC from 23% to 30% of the working population with bachelors degrees by 2030
  - Key Metrics – Compared Benefits (personal income, statewide gross domestic product, employment, and SC revenue collections) to Costs (tuition/fees, state appropriations/lost earnings while in college)

Highly Educated South Carolina vs. Same Old South Carolina







Impact to Overall Size of SC's Economy –

Ongoing Benefit of a Permanent "Baked In" Increase

Return on Educational Investment

- **<u>Benefits to the individual</u>** – Lifetime income of the average full-time worker in SC with a bachelor's degree is $2.5 million versus $1.3 million for a high school graduate (more than twice that of high school graduate)

- Over the period of 2010-2030, investing in higher education returns on average **$11 for each $1 invested**

- By 2030, return rate reaches **$25 for each $1 invested**

Additional ROEI Benefits

- Educated individuals
  - earn more and pay substantially more taxes
  - have lower unemployment
  - less incarceration
  - better health